

# **Washington State Gambling Commission**

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# **Raising Money for Charity**

There are many good causes that need money to fund projects and help those in need. This brochure outlines what you can do to raise funds as an individual, charitable or nonprofit organization, and commercial business.

Individuals cannot raise money using gambling activities, even if the money is given to charity. As an alternative:

- Ask your charity to sponsor a raffle or other events and give them a hand operating it.
- Ask for donations and give the money to charity. However, any donation, no matter what amount, must not be linked to a drawing or the chance to win a prize.
- Sell items and give all or a portion of the sale price to charity. However, a purchase must not be linked to a drawing or the chance to win a prize.

Or, offer one of these non-gambling events:

- **Basket Auction**
- **Essay Contest**

Charitable or nonprofit organizations may offer several types of gambling activities to raise funds (See back page to determine if your organization qualifies to offer these activities). Some gambling activities require a license. Others don't, depending how it's operated. Unlicensed gambling activities:

- Golfing sweepstakes
- Turkey shoots

May or may not require a license:

- Amusement games (crane and carnival games)
- Bingo
- Raffles

Always requires a license:

- Card games and card tournaments
- Casino/Reno nights (Fund-raising events)
- Poker runs
- Pull-tabs

Commercial businesses may offer several types of gambling activities. The business can choose to donate all or a portion of the money it takes in from the activity to charity. However, no gambling activity can be linked to a drawing or the chance to win an additional prize: Always require a license:

- Amusement games (crane & carnival games)
- Card games and card tournaments
- Punch boards/pull-tabs

Here are some common questions we get about fundraising. Answers are below.

#### Can I:

- Raffle my house?
- Ask people to donate to my charity for the chance to win a prize?
- Use a promotion to raise money for my charity?
- Have a casino night fund raiser?
- Have a card tournament to raise money?
- Have an auction?
- Offer an essay contest?

#### Can I raffle my house?

- Individuals cannot raffle their house and then donate all or part of the proceeds to a charity. You would have to give your house to a charity and they would raffle it. All proceeds from the raffle must go to the charity's stated purpose; none can go to you.
- Only certain charitable or nonprofit organizations can offer raffles. See our Raffles brochure for details.

#### Can I ask people to make a donation to my charity for the chance to win a prize?

You can ask people to make a donation to your charity; however, you cannot link a donation to a drawing or the chance to win a prize.

#### Can I use a promotion to raise money for my charity?

- No. Individuals, commercial businesses, and charities cannot use promotions to raise money for any reason, even to give the money to charity.
- Only commercial businesses can offer promotions for the sole purpose of advertising their goods and services. Promotions cannot be used to raise money for the business or a charity. See our Promotions brochure for details (RCW 9.46.0356).
- Charitable or nonprofit organizations cannot use promotions to raise funds or advertise their charity. As an alternative, see if you qualify to offer a Raffle.

Page 1 of 2



Our Mission: Protect the Public by Ensuring that Gambling is Legal and Honest GC5-023 (Rev 2/12)

## Can I have a "casino night" fundraiser?

Only charitable/nonprofit organizations can apply for a "Fundraising Event" gambling license to offer "Casino/Reno nights" to raise money for charity. Training and record keeping materials are posted on our website.

#### Can I offer a card tournament to raise money?

- Charitable/nonprofit organizations can apply for a *license* to offer card tournaments to raise money.
- Commercial businesses can apply for a *license* to offer card tournaments for profit. It's fine if they choose to turn their profits over to a charity; however, the tournament cannot be linked to a drawing.
- Individuals cannot offer a card tournament to raise money and then turn the money over to a charity.
  As an alternative ask your charity if they qualify to offer a card tournament and help them with the tournament.

### Can I have an auction?

Auctions are not gambling because the winner is the highest bidder (*not chance*). This includes silent auctions



and "live" auctions where bids are called out. Anyone can offer an auction.

#### Can I offer an essay contest?

Essay contests are not gambling, because the winner is selected based on their skill (*not chance*). Anyone can offer an essay contest. See our Essay Contest brochure for details.

# Does my charitable/nonprofit organization qualify to offer gambling activities to raise funds?

Washington State law requires that your charitable or nonprofit organization's by-laws or articles of incorporation state the organization is organized and operating **only** for one or more of the following purposes:

- Agricultural
- Civic
- Patriotic

- Athletic
- Educational
- Political

- Charitable
- Fraternal
- Social

Or be one of the following:

- Agricultural Fair
- Church
- Fraternal Society
- Grange
- Religious Society

If your organization's by-laws or articles of incorporation include any stated purpose(s) other than those listed above, you do not qualify to offer a charitable gambling.

If you meet the "stated purpose" requirement above, your organization *must also* have been organized and operating for at least 12 months *before* offering the raffle.

If you apply for gambling license, you will also need to prove your organization has:

- Made significant progress towards accomplishing its stated purpose(s) during the 12 consecutive months before applying for, or renewing, a license; and
- At least 15 voting members who elect the governing body.

If your organization does not meet these qualifications, you are not eligible to conduct gambling activities.

If your organization's purpose is to lobby, you may not be eligible to offer a raffle, even if you hold a 501c rating with the IRS.

## What is Gambling?

Gambling activities involve three elements:

- Chance
- Prize
- **Consideration** (consideration includes anything of value, cost, entry fee, and donations)

If one of the three "gambling" elements is removed, it is no longer gambling. For example, it's not gambling if:

- Entry into a contest is **free** (no consideration)
- Winners are chosen based on their skill (not chance)

#### For more information:

- Gambling laws: RCW 9.46
- Gambling rules: WAC 230
- Charitable/nonprofit laws:
  - o RCW 9.46.0209
  - o RCW 9.46.0277
  - o <u>RCW 9.46.0315</u>
  - o <u>RCW 9.46.0321</u>
- · Raffle brochure
- Casino/Reno nights (requires a fundraising event license) training and recordkeeping materials
- Unlicensed gambling activities brochures for:
  - Charitable/nonprofit organizations
  - Commercial businesses
- Licensing Fees: WAC 230-05
- Applications for a License:
  - Charitable/nonprofit organization
    - Commercial business

**For licensing questions:** Use contact information on the front page.

For regulatory and operational questions, contact our Regional Field Office closest to you.

**Everett** .... (425) 304-6300 ..... <u>EverettFO@wsgc.wa.gov</u> **Spokane** . (509) 325-7900 .. <u>SpokaneFO@wsgc.wa.gov</u> **Tacoma** ... (253) 671-6280 .... TacomaFO@wsgc.wa.gov

If you or someone you know have a gambling problem, call (800) 547-6133.

To inquire about the availability of this document in an alternate format, please call (360) 486-3466 or (800) 345-2529, ext. 3466. Teletype (TTY) users, please call (360) 486-3637